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ABSTRACT

The paper describes the Australian higher education system prior to 1987 and the changes brought about by the proposals in the white paper, "Higher Education: A Policy Statement," authored by John Dawkins, the Australian Minister of Employment, Education and Training, and issued in 1988. The emergence of "development" is then discussed as a major institutional initiative in seeking nongovernmental financial assistance for higher education institutions. Three initiatives adopted in response to governmental policy are outlined. They are: (1) the move to create a new position in the institutions with the title of Director of Development; (2) the move to form partnerships between higher education institutions' teaching and research activities and the industrial/commercial sector; and (3) the move to seek external funding or sponsorship for departments or academic positions, typically seen in the endowment of professorial positions. Includes seven references. (JDD)

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HIGHER EDUCATION IN AUSTRALIA: THE EMERGENCE OF "DEVELOPMENT" AS A CENTRAL ACTIVITY

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INTRODUCTION

This paper is in three parts. In the first the Australian higher education system prior to 1987 is described. In the second section the changes brought about by the proposals in The White Paper (Dawkins, 1988) are outlined. These two sections provide a brief contextual introduction for understanding the present higher education framework and pressures on institutions. In the final section the emergence of "Development" as a major institutional initiative to seek non-governmental financial assistance for higher education institutions is described. As this is a new initiative several of the difficulties which have emerged are discussed.

HIGHER EDUCATION IN AUSTRALIA

The term "higher education" as used in Australia refers to universities and colleges of advanced education. As such it is a more restricted definition than that used in other countries where it is used to refer to all post-secondary or post-school education.

The Period 1945-1987

For those not familiar with the Australian higher education system the long period of 42 years covered in this section may need some explanation. Clearly it ranges from the end of World War II until quite recently. Why start this section from the end of the Second World War? Why end it in 1987?

Australia's governmental system is a Federal system in which there are State and Territory Governments and a Commonwealth Government. Under the Australian Constitution, Education - at all levels - is a State or Territory responsibility. Yet since the end of WWII the trend, particularly in higher education, has been one of Federal (or Commonwealth) Government involvement and control (Smart, 1989). This 'control' of higher education has come through the 'power of the purse' as now the Australian Commonwealth Government is almost totally responsible for the funding of higher education. In the late 1960s, by comparison, the expanding higher education section was being funded jointly by State and Commonwealth Governments and this was supplemented a small student tuition fee.

When the Australian Labour Party was elected to Government in 1972 for the first time in 23 years, the new Prime Minister quickly implemented his Party's election promise to remove higher education tuition fees and to take over total financial responsibility for universities and colleges of advanced education. Since 1974, therefore, the Commonwealth Government has provided the sole financial support of Australia's higher education sector.

In gaining an understanding of the context in which higher education is placed, it is important to note that over this period, and particularly since 1975, Australia has experienced difficult economic times. As a country that has a small manufacturing base and depends, essentially, on the sale of unprocessed primary industry resources (e.g. coal, iron ore, wool, wheat) the international economic downturn which followed the 1970s oil crises hit particularly hard. The various Commonwealth Governments have faced severe budgetary problems since the 1970s and one of the major areas where cuts have been made is in higher education. For example, over this period 1945-1987 higher education's share of the Commonwealth budget has reduced from 4.5 per cent of total outlays to less than 3 per cent. More recently in the period 1976-1987, funding per EFTSU has fallen by 21 per cent. Consequently, there has been serious deterioration in staff-student ratios, there is unmet student demand for places, capital expenditure for buildings has been cut severely, research monies and academic morale have fallen. Table 1 shows the decline in operating funds over a 6 year period.

TABLE 1

HIGHER EDUCATION OPERATING FUNDS PER EFTSU

1975-89

(DECEMBER 1988 PRICES)

Year	$/EFTSU
1983	9320
1984	9180
1985	9160
1986	9000
1987	8850
1988	8520
1989	8430

The Dawkins Era: The post-1987 Revolution

Why designate this phase of higher education with a name? Why refer to it as a Revolution? In the incoming third Hawke Labour Party Government in 1987, there was a dramatic restructuring of portfolios. Rather than the many small departments which had existed previously there were now created - in the interests of "efficiency and effectiveness" - so called mega-departments. One of these mega-departments was the merged Department of Employment, Education and Training (DEET). The placing of "Employment" first in the title of the new Department was deliberate and signalled a new direction. It reflected a major issue which ran through the 1987

election campaign; namely, that Australia's balance of trade figures were worsening and we needed to lift our economic productivity and our export performance to compete in the external world and it would be education that provided the key to the new development.

Dawkins (1987) made the government's expectations clear when he stated:

> **The effects of social, cultural and political changes, economic adjustments and industry developments are all felt immediately in Australia. Our recent experience in international trade and financial markets provides a stark and irrefutable reminder of this reality. If we are to respond and to prosper as a nation, there must be changes in attitudes, practices and processes in all sectors and at all levels in the Australian community. The education sector, and our higher education system in particular, must play a leading role in promoting these changes. (p.iii)**

John Dawkins between 1985 and 1987 was Minister for Trade and in this portfolio he strongly supported the move for a more dynamic export-oriented Australian economy. Indeed, during his time in the Department of Trade he had proposed the legislation enabling higher education institutions to recruit full-fee paying overseas students as a means of supplementing their institutional sources of income and of creating extra tertiary places (Smart, 1989).

Once re-elected to office and in his new mega-Department of Employment, Education and Training Dawkins quickly set about implementing change. In the so-called Green Paper (1987) there is reference to such matters as numbers, desirable rates of growth in student matters, measures to improve the productivity, and efficiency and flexibility of the higher education system (Smart, 1989). In the Discussion Paper, for example, it was argued that Australia needed to increase its annual output of graduates from around 88,000 in 1986 to around 125,000 by the year 2001. At the same time it was argued that the increase in funds to meet this growth - from $900M to $1,200M per annum by 2001 - could not come from the Commonwealth alone and, therefore, alternative supplementary sources of funding needed to be developed.

The question of funding for the proposed growth is an important one for currently in Australia there are pressures to cut government expenditure and to demand greater efficiencies from institutions in the public sector.

The main points in Dawkin's agenda as outlined in the Green Paper included:

(1) Abolition of the so-called binary system, in which there was a clear distinction between universities and Colleges of Advanced Education (CAEs) with respect to roles and funding and its replacement by a 'unified national system' (UNS) of higher education. (CAEs receive only

about two dollars for every three going to Universities. Under the UNS every institution is required to submit triennial "profile" plans and compete for funds.)

(2) Consolidation of institutions through amalgamations to form larger units. (Whereas previously there was a total of 64 universities and colleges of advanced education these have been consolidated into about 30.)

(3) Substantial increases in the number of student places and steps to improve student progress and graduation rates.

(4) Increased emphasis on fields perceived to be of crucial importance to economic growth e.g. applied science, technologies, business studies and computer studies. (This reflects the view that expansion of higher education is a central plank in the Government's economic strategy.)

(5) Changes to research funding, with the Commonwealth determining areas of 'national priority'. (As paymaster of the higher education system Dawkins has called for a higher economic payoff from higher education and directed that funds go to applied research.)

(6) Changes to Councils and Senates of universities to give more power and authority to the Vice Chancellor. (The Minister has called for universities to be run like well-managed corporations.)

(7) Changes to increase efficiency and effectiveness of institutions, and to reduce units costs of teaching. (There is now a "flexible" tenure system, regular reviews of academics' performance and so on.)

(8) Encouraging institutions to generate alternative sources of funds to supplement their income from the Commonwealth.

It is this final point i.e. the efforts of all Australian higher education institutions to increase non-governmental sources of funding that is the focus for the rest of this paper.

'DEVELOPMENT' IN AUSTRALIAN HIGHER EDUCATION

The above has outlined briefly some of the recent, major contextual changes and new directions in higher education in Australia. It makes clear why higher education institutions have increased greatly the attention given to seeking financial support outside that from the traditional governmental source. In Australia there are now tuition fees (set at approximately one-sixth of the real cost), increased contributions by employers for professional education, increased support from business and industry for research (this is assisted by a 150 per cent tax "write-off"), and

increased income from the selling of services and consultancies on a commercial basis, land development deals (e.g. technology parks), and privately funded chairs.

Curtin University, which is the largest in Western Australia with an EFTSU of 10,700, has been one of the most responsive to the new environment. A recent publication stated:

> **If a high level of development is to be achieved Curtin will have to seek resources on its own account, the alternative is to accept an unsatisfactory learning environment. Curtin's staff, students and community will all need to assist in raising the level of resources available to the institution. Rightly or wrongly, the time has ended when the community could presume that the cost of University operations would be largely met from Government sources. (Curtin University, 1990, p.2)**

Clearly there is a changed environment and higher institutions are now actively seeking to break loose from dependence on one paymaster, what is it that they have done? The paper will outline three initiatives which have been adopted in response to the government's decisions. The first is the move to create a new position in the institutions with the title of Director of Development.

Directors of Development: A new position

Perhaps the most obvious consequence of the new situation in which higher education institutions find themselves is the move to appoint someone to plan and manage fundraising initiatives. The majority of higher education institutions are moving to establish Foundations and to appoint Directors of Development. While these are relatively new positions in the Australian scene there do seem to be "typical duties" in the job descriptions. Table 1 shows a recent Duty Statement for such a position.

TABLE 2

DIRECTOR OF DEVELOPMENT

DUTY STATEMENT

1. Responsible to the Assistant Dean-Development within the Executive for planning, managing and executing the Key Funds Program of the Development Office to secure all available gifts and sponsorships from government and private sources.

2. Initiate planned programs to identify, cultivate, solicit and provide liaison for donors and potential donors to the University.

3. Work, as agreed, with senior management and key volunteers to achieve the development goals of the University.

4. Recommend annually a development plan for the Key Funds Program and propose goals to meet identified University needs.

5. Report regularly to the Assistant Dean-Development on progress towards meeting goals.

6. Advise the Assistant Dean-Development regarding issues which relate to the development strategies of the University.

7. Assist in the design of development strategies, including preparation and implementation of campaigns.

8. Work with the Assistant Dean-Development to maintain a motivating environment for staff and volunteers to increase productivity and satisfaction in activities in which they are involved.

9. Other such duties as assigned by the Assistant Dean-Development.

Clearly the focus of the Director of Development's role is to secure gifts and sponsorships from government and private sources. Dr. John Lake, Director of Development, at Bond University - the first private university in Australia - will provide further information on this area in his paper for this Symposium.

I will now turn to the second initiative which has been to form partnerships between the higher education institutions' teaching and research and the industrial/commercial sector.

Commercial Research

It has been estimated that the 30 or so Australian higher education institutions have established wholly owned subsidiary companies. By 1989 they had a gross turnover of $100M. The Table below shows the major institutional commercial enterprises.

TABLE 3

THE TOP 10 TERTIARY SUBSIDIARIES BY GROSS INCOME

Australian National University. ANUTECH Pty Ltd. First year of operation, 1982; latest annual gross turnover $15.2M (1989). Sources of income: general activities ($6.56M); development assistant ($4.32M); commercial and Department of Industry, Technology and Commerce (DITAC) research funds ($2.9M).

Royal Melbourne Institute of Technology. Technisearch Limited. First year of operation, 1971; turnover, $12.4M (1989). Source of income: general activities, including marketing of courses, ($3.6M); technical services ($2.47M); social science consultancies ($2.14M).

University of New South Wales. UNISEARCH Ltd. First year of operation, 1960; turnover, $9.9M (1989). Source of income: commercial and DITAC research funds ($6.48M); professional development courses ($2.29M); sales of intellectual property ($0.38M).

South Australian Institute of Technology. Techsearch Incorporated. First year of operation, 1971; turnover, $5.5M (1989). Source of income: research and development funds $1.72M); professional development courses ($1.04M); English language courses ($0.92M); consultancies ($0.52M).

University of Queensland. UniQuest Ltd. First year of operation, 1984; turnover, $4.6M (1989). Source of income: about 66 per cent derived from commercial sources directed into university R and D projects, and about 25 per cent from consultancies and commercial use of the university laboratories, workshops and skills.

University of Wollongong. Wollongong Uniadvice Ltd. First year of operation, 1988; turnover, $3.8M (1989). Source of income: Commercial and DITAC research funds ($1.09M), professional development courses ($0.73M), social science consultancies ($0.24M).

Mitchell College of Advanced Education. Mitchellsearch Ltd. First year of operation, 1977; turnover, $2.49M (1989). Source of income: Conferences and catering ($2.01M); professional development courses ($0.39M); technical services and consulting ($0.08M).

Warrnambool Institute of Advanced Education. Winsearch Ltd. First year of operation, 1988; turnover, $2.32M (1989). Source of income: technical services ($1.17M); international programmes ($0.52M); sales of intellectual property ($0.2M); social science consultancies ($0.19M).

Newcastle University. TUNRA (The University of Newcastle Research Associates Ltd.). First year of operation, 1969; turnover, $2.2M (1988/89). Source of income: majority from consultancies and contracted research.

University of Technology, Sydney. Insearch Ltd. First year of operation, 1978; turnover, $1.95M (1989). Source of income: commercial funds ($0.95M); professional development courses ($0.6M).

Source: Financial Review, 16th January 1990.

The move to joint commercial activity, however, has highlighted a number of problems that are still unresolved or

now require urgent action. For example, there are questions about ownership of intellectual property, public accountability of the subsidiaries, and so on. Two significant cases have appeared in the media in recent times and illustrate the difficulties.

In one example, three academics at a university have become co-defendents in a court action after being sued by their joint-venture partner. The Joint-venture Company claimed that the university's commercial arm signed a deal to hand over full commercial rights to a new technology which had been developed by the academics. The staff members concerned deny this.

Similarly, some partnership deals between the university subsidiaries and the private sector have been terminated because of "differences of expectations and opinions" on the part of both organisations.

In response to these matters the Federation of Australian University Staff Associations (FAUSA) has developed and published a document entitled "Guidelines for Private Sector Funding and Participation in Australian Higher Education Institutions" (1988).

The preamble to the "Guidelines" state that they are intended to provide safeguards for higher education institutions' involvement in the private sector. FAUSA assert:

> **Their [the Guidelines] purpose is to outline precautions which will protect academic freedom; access to, and equity in, higher education; industrial rights of staff; and the role of the Commonwealth in the planning and funding of higher education system. (p.1)**

There are major concerns in this area as the Commonwealth Government has claimed it has no moral or legal responsibility for university subsidiaries and the individual institution is responsible to police its own research activities.

The third discernable course of action which higher education institutions have taken is to seek external funding or sponsorship for Departments or academic positions. This is typically seen in the endowment of professorial positions.

The Sponsorship of Professorial positions

In the older universities while endowed Chairs are an accepted initiative, however, there is now a noticeable shift in this area. For instance, at my own University (relatively recently established) there are currently 7 endowed Chairs. Over this triennium (1991-93), however, it is envisaged that 20 endowed academic chairs will be established. The rationale for this initiative reflects several of the issues that have been emphasised in the Commonwealth Minister's comments on higher education. For example the University believes:

> **The endowed chairs will help to forge closer relationships with industry and commerce, attract staff appointments at the leading edge of knowledge and provide additional financial resources for work of immediate relevance to economic advancement. Key economic and professional sectors will be targetted for support. (Curtin University, 1990, p.5)**

It is not surprising, therefore, that within this perspective there are "areas" which are seen as more worthy of support than others. For example, our current 7 endowed chairs comprise; 2 in Agribusiness, 2 in Mineral Processing and Chemistry, 1 in Valuation, 1 in Information Technology and 1 in Occupational Health. I am pleased to report that in my University these appointments have been based on the same selection procedures as the filling of any other vacancy.

However, this is not always the approach. Two cases appeared in the media in late 1989 that well illustrate why FAUSA and academics are concerned at the developments in this area.

In the first case, a major university is reported (Financial Review, 26th October 1989) to have changed its stance on corporate funding to allow major donors the right to nominate their appointee to an academic position. These new academic positions were to be titled "professorial fellow" but it was intended they would involve the normal activities of a university professor.

The University involved has argued that the funding cuts imposed by the Commonwealth Government have necessitated it actively courting private donations and that the agreement contains safety clauses to protect its reputation. For example, one clause reads "... [the donor] will not seek to gain direct financial or commercial advantage from the appointment or the association of its name with the position". The president of FAUSA, on the other hand, asserts that prior to this particular development "the line has always been drawn at a company being able to buy an academic appointment".

This matter is not yet resolved. FAUSA recently wrote to one national newspaper stating:

> **The University's decision on professorial fellows is a threat to academic freedom. If a donor company has the right to make an academic appointment then the company, not the University, becomes the paymaster and the commitment to free inquiry of the professor, so appointed, can never be guaranteed no matter how high their personal standing and integrity. (Australian, 6th November 1989.)**

The second example concerns a major computer company and a large technologically oriented university. The agreement drawn up between these parties states that the computer company would supply lecture and other facilities and academic staff.

It is reported that in the contract there is a clause which states that "if, in the opinion of the company, a member of the academic staff presents a course in an unprofessional manner, disparages the company or its products or a company competitor or its products, then the company may direct the university to cease using that member of staff for presenting courses of the centre and/or cease using the course" (Financial Review, 26th October 1989).

The FAUSA response to contracts which contain clauses such as the above is to argue that they challenge traditional approaches to academic integrity and that staff should be independent from corporate goals and not be in a position where these pressures can be brought to bear.

CONCLUSION

This brief paper has been concerned to outline the several phases that have characterised the Australian higher education system in the period 1945-1990 and to show how these have shaped the present system. The major factor in determining the present situation were the changes brought to the higher education system by John Dawkins, Minister of Employment, Education and Training. While it can be argued there have been positive consequences of the changes there is clearly a new imperative. That is, all higher education institutions now seek non-governmental funding to ease the financial pressures that now exist. One of the most noticeable initiatives in the attempt to secure private sector funds has been the creation of Development positions. The paper outlined the typical duties of a Director of Development and discussed the increased pressure for joint higher education-commercial research and the sponsorship of academic positions. As these are new initiatives in the Australian scene some of the pitfalls are discussed.

Note: The initial sections of this paper draw heavily upon the 1989 AERA papers of Dr. Grant Harman and Dr. Don Smart.

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